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| 09/624,330 | 07/24/2000 | James P. O'Shaughnessy | N24-004 | 6594 |
| 3775 | 7590 | 03/30/2004 | EXAMINER | |
| ELMAN TECHNOLOGY LAW, P.C. P. O. BOX 209 SWARTHMORE, PA 19081-0209 | | | POINVIL, FRANTZY | |
| | | | ART UNIT | PAPER NUMBER |
| | | | 3628 | |

DATE MAILED: 03/30/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/624,330

Applicant(s)

O'SHAUGHNESSY ET AL.

Examiner

Frantzy Poinvil

Art Unit

3628

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 24 July 2000.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-24 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-24 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| Paper No(s)/Mail Date <u>6</u> | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Claim Rejections - 35 USC § 112

1. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 1, 5, 9, 14 and 15 are rejected under 35 U.S.C. 112, first paragraph, as directed to a single means claim.

A single means claim, i.e., where a means recitation does not appear in combination with another recited element of means, is subject to an undue breadth rejection under 35 U.S.C. 112, first paragraph. *In re Hyatt*, 708 F.2d 712, 714-715, 218 USPQ 195, 197 (Fed. Cir. 1983) (A single means claim which covered every conceivable means for achieving the stated purpose was held nonenabling for the scope of the claim because the specification disclosed at most only those means known to the inventor.).

2. Claims 1-14 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

As per claim 1, line 10, the Examiner suggests applicant to change "a" to -said- - since it is unclear whether applicant is introducing a new user. On line 14, "the list" lacks clear antecedent basis. On lines 14-15, "next ordinal replacement" lacks clear antecedent basis.

As per claim 2, line 1, the Examiner suggests applicant to change "a" to –said- - since it is unclear whether applicant is introducing a new user.

As per claim 3, line 1, the Examiner suggests applicant to change "a" to –said- - since it is unclear whether applicant is introducing a new user.

As per claim 4, line 2, it is unclear what service applicant is referring to.

As per claim 5, line 2, it is unclear what service applicant is referring to.

As per claim 9, line 2, "the suggested list" lacks clear antecedent basis.

As per claim 10, line 1, the Examiner suggests applicant to change "a" to –said- - since it is unclear whether applicant is introducing a new user.

As per claim 11, line 1, the Examiner suggests applicant to change "a" to –said- - since it is unclear whether applicant is introducing a new user.

As per claim 12, line 1, the Examiner suggests applicant to change "a" to –said- - since it is unclear whether applicant is introducing a new user.

As per claim 13, line 1, the Examiner suggests applicant to change "a" to –said- - since it is unclear whether applicant is introducing a new user.

Claims not directly addressed are rejected based on their dependencies.

Claim Rejections - 35 USC § 102

3. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claim 15 is rejected under 35 U.S.C. 102(e) as being anticipated by Jones et al. (US Patent No. 6,021,397).

As per claim 15, all the claimed features of a computer-implemented system comprising means for: providing automated allocation advice, selection of investment securities, customization of automated advice, execution of batch transactions in multiple investment securities in a portfolio, maintenance and monitoring of investment portfolios and rebalancing of investment portfolios are taught by Jones et al. Applicant is directed to column 5, line 51 to column 7, line 10 of Jones et al.

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-14 and 16-24 are rejected under 35 U.S.C. 103(a) as being unpatentable over Tertitski et al. (US Patent No. 6,493,681) in view of Jones et al. (US Patent No. 6,021,397).

As per claims 1, 16 and 24, Tertitski et al disclose a computer-driven system by which a retail consumer may invest in financial securities (see the abstract), comprising means for performing the following steps:

providing to a user's display a plurality of strategies, said strategies being quantitative methodologies of security selection from a universe of securities, in a manner by which the user may interact with the system in a self-directed manner (column 1, line 58 to column 2, line 5);

providing to the user's display performance figures pertaining to each strategy since its inception against a preferred benchmark (column 2, lines 6-27);

permitting the user to view the suggested financial securities of each strategy and then to add securities to or remove securities from the list and to replace any security (column 1, lines 28-43);

Replacing securities with the next ordinal replacement suggested by the strategy is not explicitly taught by Tertitski et al. Such would have been obvious to the skilled artisan as such would have been left to the user or to owners of the system of Tertitski et al. as such would not affect the functioning of the system of Tertitski et al.

Tertitski et al further teach facilitating the user to purchase suggested financial securities of a strategy in weights prescribed by the strategy or the user's customizations in an amount of the user's choosing through a qualified broker (column 1, lines 28-31 and column 5, line 61 to column 6, line 5) since the objective is to purchase suggested financial securities that will yield the best possible gains.

Tertitski et al do not explicitly disclose the user may view at the user's discretion descriptive information including selection methodology, community discussion, community

chats, and/or community polls regarding each strategy. A user viewing community chats and discussion or polls regarding particular stocks or investment strategies are well known in the art when a remote user uses a web browser to assess information from the Internet. Applicant is directed to the teachings of Jones et al. Jones et al. disclose a financial advisory system which includes a selection of an investment strategy by a user locating at a remote site for investing in selected securities. See column 5, line 40 to column 12, line 51 of Jones et al. It would have been obvious to one of ordinary skill in the art at the time the invention was made to introduce the system of Tertitski et al in a network environment for providing stock and investment information to a user as taught by Jones et al. in order to facilitate remote investors with instant investment strategies.

As per claim 2, Tertiski et al do not explicitly teach a user may monitor the performance, news and research of the user's investments. Steps or means for a user to monitor news, performance and research related to a user's investment is well practiced in the art. Implementing such a scheme in the system of Tertiski et al. and Jones et al. would have been obvious to the skilled artisan in order to provide the user with updates which may have in impact reflecting the user's portfolio or investment strategies.

As per claim 3, rebalancing funds into an account is well practiced in the art. A user periodically rebalances the user's holdings into updated recommendations of that strategy or another strategy which resides in the system would have been obvious to do in the system of

Tertiski et al and Jones et al. in order to enable a user to minimize risks and/or maximize profit.

See column 6, lines 13-34 of Jones et al.

As per claims 4-5, users in an investment system usually pay a fee or commission for services rendered by a broker or by the investment computerized system. See column 4, lines 1-8 of Tertiski et al.

As per claim 6, see the rejection of claim 2 regarding a remote user accessing the computerized system of Tertiski et al. See also column 5, lines 42-48 of Jones et al.

As per claim 7, Jones et al teach means for questioning the user to obtain a profile of the user and means for supplying a profile product to a user, said profile product being deemed suitable to the user by the results of said questioning. Applicant is directed to column 6, lines 40-66 of Jones et al. Including such a feature in the system of Tertiski et al would have been obvious to the skilled artisan in order to determine the best types of investment strategies for the user and also to store such as a user record for future reference and/or updates.

As per claim 8, the combination of Jones et al. and Tertiski et al. teaches means for supplying the user with the recommendations of an active manager in place of a quantitative

methodology for selecting stocks. Note column 6, lines 13-34 of Jones et al. and column 2, lines 6-28 and column 5, lines 62-67 of Tertiski et al.

As per claim 9, the combination of Jones et al. and Tertiski et al. teaches means where the user may customize the suggested list of a strategy for individual purchase by replacing one of the securities with a stock of the user's choosing. See column 1, lines 23-32 and column 3, lines 20-64 of Tertiski et al. and column 6, lines 13-34 of Jones et al.

As per claim 10, Tertiski et al disclose means for transmitting to a user's display hypothetical or historical performance of a strategy over a plurality of observation periods. See column 3, lines 20-40 of Tertiski et al.

As per claim 11, Tertiski et al. means for transmitting to a user's display hypothetical or historical performance of a strategy over a plurality of benchmarks. See column 3, lines 20-40 of Tertiski et al.

As per claim 12, Tertiski et al disclose means for a user to create and invest in the user's own strategy through testing user-defined strategies backwards in time and observing their hypothetical performance as compared to a plurality of benchmarks. See column 2, lines 29-46 of Tertiski et al.

As per claim 13, the combined system of Tertitski et al. and Jones et al. further comprising means for a user to create and invest in the user's own strategy which is an allocation of other strategies on the system, including those derived from the recommendations of an active manager. Note column 6, lines 13-34 of Jones et al. and column 2, lines 6-28 and column 5, lines 62-67 of Tertitski et al.

As per claim 14, the purchase/execution of securities being done through individuals of high net worth rather than in an automated fashion would have been obvious to one of ordinary skill in the art especially in the case where a user is a novice in performing investment procedures. Therefore, the user would have pursued the services of a broker.

As per claim 17, steps or means for a user to monitor news, performance and research related to a user's investment is well practiced in the art. Implementing such a scheme in the system of Tertitski et al would have been obvious to the skilled artisan in order to provide the user with updates which may have an impact reflecting the user's portfolio or investment strategies.

As per claim 18, rebalancing funds into an account is well practiced in the art. A user periodically rebalances the user's holdings into updated recommendations of that strategy or another strategy which resides in the system would have been obvious to do in the system of Tertitski et al and Jones et al. in order to enable a user to minimize risks and/or maximize profit. See column 6, lines 13-34 of Jones et al. A user's stock holding may be changed according to

changes in the recommendations of the one said investment strategy, said user's changed circumstances or said user's changed tax situation. See column 10, lines 18-54 of Jones et al.

As per claim 19, the user is a customer of a provider of said computer system. See figure 1 of Jones et al. Furthermore both Tertiski et al and Jones et al. further teach: said customer maintains an account with a trading services provider; said customer's stocks are held by a custodial services provider, said system further comprising: means for communicating between said provider of said computer system and said trading services provider so that trades can be executed on behalf of said customer; means for communicating between said provider of said computer system and said custodial services provider so that said provider of said computer system is currently updated on the status of said user's stock holdings. Applicant is directed to column 5, line 51 to column 12, line 51 of Jones et al. and column 1, line 58 to column 2, line 46 of Tertitski et al.

As per claim 20, Jones et al disclose the web site also provides the capability of permitting said user to select a mutual fund, account manager or other equity portfolio whose stock holdings said user wishes to clone; and said computer system further comprising software to run said computer system to access the individual components of said mutual fund based on percentage of total assets; to provide analysis of said individual components' various factors to create a factor profile; to compare said factor profile with same factors for entire stock market to determine which factors deviated most from market factors, to backtest or customize factors that

make up said factor profile; to use said factor profile and results of backtesting and customization to create portfolio of stocks; and said web site further comprising means for said user to purchase said portfolio of stocks. See column 5, line 51 to column 12, line 51 of Jones et al.

As per claim 21, the computer system of the combination of Tertitski et al. and Jones et al. discloses software for determining the best time for said user to sell stocks said user has decided to remove from portfolio so as to maximize tax benefits to said user. See column 5, line 51 to column 12, line 51 of Jones et al.

As per claim 22, the web site having the capability of permitting said user to purchase all stocks in said user's portfolio at once so as to avoid separate trade costs for each stock purchase would have been obvious to do in the combination of Tertitski et al. and Jones et al. in order to minimize a user's expense thereby providing an attractive system.

As per claim 23, Jones et al. disclose the software allows said user to review various investment strategies available at said web site and create out of said investment strategies said user's own unique portfolio. Applicant is directed to column 12, lines 31 of Jones et al.

As per claims 18-23 one of ordinary skill in the art would have been motivated to combine the teachings of Jones et al. with Tertitski et al. in order to provide an investor with an attractive and flexible system taking account real world steps or functions in executing an investment strategy.

Conclusion

5. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Frantzy Poinvil whose telephone number is (703) 305-9779. The examiner can normally be reached on Monday-Thursday 7:00AM-5:30PM.

The fax phone number for the organization where this application or proceeding is assigned is (703) 872-9326 for Before Final actions and (703) 872-9327 for After Final actions.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 308-1113.

FP
March 18, 2004